



# FINNSEMENTTI

## GENERAL PURCHASING CONDITIONS 2014

### 1 Introduction

These general purchasing conditions shall apply to all deliveries to Finnsementti Oy (hereinafter referred to as the Purchaser) unless specifically agreed otherwise in the contract between the parties. The Supplier's general delivery conditions shall apply only to the extent they are consistent with these conditions and with Ethical Procurement Code. The contract referred to hereinafter shall mean the written contract concluded between the parties or if no written contract exists, the particular order made by the Purchaser.

### 2 The scope of delivery

The Supplier hereby undertakes to perform without remuneration on request such minor alterations which would not cause the Supplier significant additional cost. The Purchaser shall be obliged to pay for other additional or alteration work only if agreed in writing that such work may be carried out for additional payment.

Delivery of machinery and device, not considered as spare parts, shall also include installation, testing and start-up unless otherwise specifically agreed in writing. Delivery shall be considered incomplete until such obligations are fully performed and accepted.

### 3 Packing and marking

Packing shall be undertaken in such a manner that it protects the goods from damage and deterioration in value during transport to the Purchaser's warehouse and thereafter for a reasonable period of storage in a suitable manner. Furthermore, such packing shall fulfil the requirements of customary transport insurance policy.

The Supplier shall always indicate on the packing the Purchaser's order number and other information in accordance with the instructions given by the Purchaser. In addition, the Supplier shall always ensure that the goods are marked in accordance with their properties (including, but not limited to fragility and weather resistance).

### 4 Delivery

Delivery clauses shall be interpreted in accordance with Incoterms 2010. The delivery clause shall be DDP to the Purchaser's premises unless otherwise agreed.

The Supplier shall in a timely manner prior to delivery provide the Purchaser with the necessary information for transport and receipt of the goods. In the event of a delivery containing dangerous goods as detailed in the Finnish law on transport of dangerous goods, the Purchaser shall be informed in writing thereon in advance.

### 5 Quality

Raw materials, workmanship and other elements of the delivery shall comply in their entirety with the given definitions, specifications, product leaflets, drawings and samples etc. All goods and services shall be suitable for the stated purpose, meet the current level of technical development and also otherwise be of top-class quality. Furthermore, such goods and services shall also comply with the current regulations, norms and standards valid in Finland, inclusive of all relevant current safety regulations and directions of the Finnish authorities.

The Supplier commits itself to choosing as environmentally friendly alternatives as possible for structures, material choices and methods of manufacturing.

### 6 Ethical Principles

The Supplier obliges to comply with all relevant laws and regulations relating to human rights, health, safety, environment and anti-bribery and anti-corruption.

The Supplier must also adhere to good ethical business practices as set out in the CRH Code of Business Conduct (<http://www.crh.com/our-group/our-people/corporate-governance/codes-of-conduct>) and comply with the Ethical Procurement Code which specifically requires the Supplier to:

- a) support and respect the protection of human rights within its area of influence

- b) respect freedom of association and the effective recognition of the right to collective bargaining by all employees
- c) prohibit all forms of forced, compulsory and child labour
- d) support the principle of equal opportunity in respect of the recruitment and selection of employees
- e) comply, as a minimum, with all applicable health and safety legislation and continually improve stewardship towards industry best practice
- f) comply, as a minimum, with all applicable environmental legislation and support a proactive approach to environmental challenges and
- g) comply with all relevant anti-bribery and anticorruption legislation.

In case a contract regards a procurement over one million euro/dollar and said procurement is made from a Risk Country defined in the Ethical Procurement Code the Supplier shall complete the CRH CSR Supplier Policy Questionnaire (Ethical Procurement Code, Appendix II) before conclusion of the contact.

In the event that the replies to the questionnaire raise concern, or later during the contractual relationship is deemed needed, the Purchaser may audit the Supplier's site. The Supplier accepts that the Purchaser may require the Supplier to take remedial steps before conclusion of the contract or anytime during the contractual relationship in order to guarantee the demanded level of ethical corporate responsibility of the Supplier.

In case the Supplier has breached the ethical principles defined in these General Purchasing Conditions or in the Ethical Procurement Code and has not remedied the deficiency in reasonable time after receiving a notification the Purchaser is entitled to terminate the contract.

### 7 Time of delivery and consequences for delay

The agreed delivery date shall be strictly adhered to. For partial delivery, or delivery in advance in the case of oversized goods or goods having special storage requirements, the Supplier must receive the prior written approval of the Purchaser.

In the event that the Supplier has reason to suspect any delay in delivery, the Purchaser shall be informed thereon immediately in the timeliest possible manner, to be followed by written confirmation stating the estimated duration of the delay and the reasons for the delay. Such notice shall not reduce the Supplier's responsibility for delay.

If not agreed otherwise in writing, the Supplier shall pay liquidated damages to the Purchaser for any delay in the delivery. The amount of the liquidated damages shall be 1 % of the price (VAT excluded) of the delayed delivery for each calendar week or part thereof, for as long as the delay continues, however maximum for ten calendar weeks. In addition, the Purchaser shall be entitled to compensation for any damage which exceeds the amount of liquidated damages. In the event of a delay or an anticipated delay of more than four weeks, the Purchaser shall be entitled to cancel the purchase either in full or in part.

The Supplier shall not be entitled to extend the time of delivery due to additional or alteration work, unless otherwise specifically agreed in writing in advance.

### 8 Price

All prices are stated VAT excluded; and VAT shall be added in accordance with the appropriate regulations.

Prices are fixed and they will not be adjusted on the basis of any index changes or similar, unless specifically agreed in writing. Any additional charges (e.g. including but not limited to charge of small delivery or invoicing charge) are not allowed.

The price includes without limitation the measures defined in Section 2, packing and marking as defined in Section 3 and the documents defined in Sections 11, 14 and 17.

## 9 Term of payment

The Purchaser's order number shall always be stated on the invoice. The invoicing address is Finnsementti Oy, PL 206, FI-00021 LASKUTUS, Finland.

Unless otherwise agreed in writing the term of payment shall be 45 days net from the date when the Purchaser has received delivery as per the agreement and a proper invoice. Interest for delay shall be payable in accordance with the Finnish Interest Act. In the event that the Purchaser has a justified claim on the Supplier, the Purchaser may withhold a corresponding part of the payment.

## 10 Performance guarantee and warranty

If the contract specifies certain operational qualities of the delivered machines or devices, the Supplier hereby warrants the performance of delivered items, i.e. warrants that the machine or the device shall meet these requirements.

Compliance with these requirements shall be verified at a testing occasion organised by the Supplier at which the Purchaser shall be present. If the requirements are not met and/or the deficiencies are not repaired during a reasonable period of time, the Purchaser shall be entitled to cancel the purchase and the purchase price shall be refunded and the Supplier shall duly compensate the Purchaser for all costs incurred.

The Supplier hereby warrants that the goods shall maintain their contractual properties during the warranty period which, unless otherwise agreed in writing, shall run for a period of twenty-four (24) months from the date of first use by the Purchaser. Any claim made under warranty shall not be made later than one month after the expiry of the warranty period.

Any defects, flaws or deficiencies or suchlike in delivery during the period of warranty shall be remedied by the Supplier at its own expense (including, but not limited to removing such defects, flaws or deficiencies by repair or replacement of the defective parts or other appropriate way). The Supplier shall be responsible also for all necessary delivery, detachment and installation costs.

The Supplier shall also be liable for any indirect, incidental and/or consequential damage, such as loss in production, reduction in revenue, loss in turnover, loss arising out of a defect, deficiency or suchlike detected during the warranty period.

The Purchaser shall be entitled to repair defects at the Supplier's expense without any effect on the Supplier's other liabilities in the following circumstances:

- a) the Supplier approves of such proceedings in advance
- b) the defect is of minor nature
- c) the Supplier neglects to repair notified defect forthwith or
- d) the need for repair is especially urgent.

If any part is repaired or replaced during the warranty period, a new warranty period for such part shall commence from the new commissioning date. The warranty period of parts due to wear and tear is extended only in relation to reasonable service life expectation of such part.

Further, said warranty shall not apply to any defects caused by faulty operation or normal wear and tear.

After the warranty period, the Supplier shall remain liable for any defects, flaws or deficiencies which the Purchaser can prove to be a consequence of matters for which the Supplier is responsible and which could not reasonably have been discovered by the Purchaser during said warranty period.

## 11 Intellectual Property Rights

Unless otherwise agreed in writing the planning work including, but not limited to all drawings, models, other technical documents and electronic records related to the delivery are the property of the Purchaser and the Supplier shall not have any right to assign such property to any third party or use such property for any other purpose than carrying out the Purchaser's orders.

Any tools, moulds and suchlike paid by the Purchaser shall remain the property of the Purchaser even when kept in the Supplier's premises. The Purchaser is entitled to transfer such property to a third party at any time. The Supplier may not use such property for any other purpose than carrying out the Purchaser's orders.

The Supplier hereby represents and warrants that deliveries to the Purchaser do not violate any intellectual property rights of third

parties. In the event of any claim presented to the Purchaser based on violation of intellectual property rights, the Supplier shall compensate the Purchaser for all costs and other consequences arising from such violation or claim.

The party which acquires plans and information shall be responsible for them. Acceptance by one party shall not discharge the other party from such liability. Further, the Supplier shall be responsible for the Purchaser's proposed amendments to the Supplier's plans, unless the Supplier makes a written reservation thereto prior to the commencement of production.

## 12 Subcontractors

The Purchaser shall be informed of any use of subcontractors in advance in writing. If it is stated explicitly in the order which subcontractors are to be used, this information shall be binding on the Supplier.

The Supplier shall be liable for the performance of the subcontractors as for its own performance.

## 13 Inspections by the authorities

The Supplier shall oversee and be responsible for any inspections required by the authorities. The Purchaser settles the payments to authorities for inspections which are to be carried out at the installation site. Any costs of re-inspections caused by product defectiveness shall be met by the Supplier. The Supplier shall inform the Purchaser of such modifications and alterations to laws and regulations regarding the Supplier's field of operation that might have an effect on the delivery of goods or on the prospective use of the delivered machinery, devices, materials or other goods.

## 14 Documents

Delivery shall also include operating and service instructions, CE marking, certificate of conformity, drawings and electric drawings in both paper and CD format as well as other technical documents. All documents shall be either in Finnish or Swedish.

Delivery shall only be considered completed when all aforementioned documents as well as documents mentioned in Section 10 have been submitted to the Purchaser. The documentation shall be at the disposal of the Purchaser on the agreed date and from then onward.

The Purchaser's order number shall be stated in all correspondence and also be recorded on the invoice and the bill of carriage, which shall always be attached to the delivery. The commercial documentation shall in other respects be in accordance with the order.

## 15 Force majeure

A party is entitled to postpone its performance if completion of the performance is prevented due to an obstacle beyond the control of the party and which could not have been foreseen and which cannot be removed with reasonable costs (force majeure). The other party must be immediately informed of such an obstacle and its removal and the party suffering force majeure shall use its best efforts to mitigate the effect of any delay occasioned by force majeure. Delay caused by Supplier's subcontractor is not considered as force majeure unless said delay is caused by force majeure.

If such force majeure circumstances persist for an unreasonable period, the other party is entitled to terminate the contract.

## 16 Insurance and security

The Supplier shall maintain adequate product liability insurance coverage and general liability insurance commensurate with the nature of obligations, the amount of which in any event shall not be less than 500.000 euro.

Only a bank guarantee or a bank deposit certificate given by a Finnish bank is accepted if the parties have agreed on a security for the period of delivery or warranty.

## 17 Liability of the Purchaser

The Supplier shall be liable for the provision of all information required in the Finnish law on the requirements in the use of external workforce (Finnish Act on the Contractor's Obligations and Liability when Work is Contracted Out 1233/2006, as amended) to the Purchaser without specific request. The Supplier shall be obligated to be registered at all times with the service provided at the address [www.tilajavastuu.fi](http://www.tilajavastuu.fi). The Supplier warrants and guarantees that it has fulfilled the obligations stated in said law. If the Supplier does not provide said information or has not fulfilled obligations as set forth above, the Purchaser shall be entitled to terminate the contract forthwith with immediate effect. The Supplier shall recompense any

payment of omission imposed on the Purchaser arising from the Supplier's failure to provide information and/or fulfil its obligations under this requirement.

### **18 Confidentiality**

The Supplier shall at all times keep confidential the Purchaser's trade secrets and all other relevant confidential information. If the Supplier has access to the Purchaser's information system, shall the Supplier agree on the Purchaser's PC usage policy (Finnsementti PC Usage Policy, Appendix III).

### **19 Order of application**

In the event of any discrepancies between the documents, the following order shall apply.

1. The contract
2. The order
3. These General Purchasing Terms
4. Ethical Procurement Code with its Appendices
4. Negotiation or meeting memos, if any
5. Technical specifications and drawings
6. Invitation for tender
7. The tender

### **20 Applicable law**

The contract and all deliveries thereunder shall be governed by Finnish law, with the exception of provisions related to choice of law.

### **21 Disputes**

Any and all disputes arising out of or in connection with this contract or a delivery thereunder shall be finally settled in arbitration according to the Arbitration Rules of the Finnish Central Chamber of Commerce. If the monetary value of the dispute is not more than 500.000 euro, the dispute shall be settled by a sole arbitrator.

### **22 Validity**

These conditions are valid as of 1.2.2014 and until further notice.